



SPEECH

OPENING SPEECH BY MR TEO ENG CHEONG, CHIEF EXECUTIVE OFFICER OF INTERNATIONAL ENTERPRISE SINGAPORE, AT THE AFRICA SINGAPORE BUSINESS FORUM, ON THURSDAY, 30 AUG 2012, 8.30AM, THE GRAND COPTHORNE BALLROOM

Mr S Iswaran, Minister, Prime Minister's Office; Second Minister for Home Affairs and Trade & Industry,

Mr Lee Yi Shyan, Senior Minister of State for Trade & Industry and National Development, Ministers and Excellencies from Africa,

Distinguished Guests,

Ladies and Gentlemen,

Good morning.

1. Welcome to the Main Forum Day of International Enterprise (IE) Singapore's Africa Singapore Business Forum, or ASBF in short. I would like to welcome our guests from Africa. Thank you for making the long journey to join us today.
2. While Africa is still largely unfamiliar to Singapore companies, the region's potential has grown evident. China, India and Southeast Asia remain top of mind due mostly to cultural factors and their close proximity. We are, however, at the crossroads of major changes in the global economy today. Companies need to constantly look ahead to new markets, and there is no denying Africa holds great potential. The Economist reported that seven out of 10 fastest growing economies in 2011 were African countries¹.

¹ Source: The Economist Online, 6 January 2011, http://www.economist.com/blogs/dailychart/2011/01/daily_chart

3. Over the last five years, world foreign direct investment into Africa grew by almost 50%, reaching US\$570 billion (S\$716.5 billion) in 2011². In the same period, Africa's trade with the world grew at a CAGR of 9.2%³, reaching US\$1.15 trillion (S\$1.45 trillion) in 2011; higher than the world trade growth of 6.7%⁴. Today, Asia is playing an increasingly important role in Africa's growth, coming in as Africa's second largest trading partner last year⁵. Africa's exports to Asia also tripled over the last five years, comprising natural resource-extractive commodities, as well as non-traditional items such as processed commodities and light manufactured products.
4. Closer to home, Singapore's bilateral trade with Africa has similarly grown at a CAGR of 11.8% over the past five years, with exports recording a CAGR of 15%⁶. As of 2010, Singapore's direct investments into Africa reached US\$18.9 (S\$23.8 billion), a 29% increase from US\$14.7 billion (S\$18.5 billion) in the previous year⁷. This made us the largest investor in Africa among ASEAN countries.
5. I believe there is a lot more room for growth. Situated strategically in Asia, Singapore can play an integral role in Africa's development. As the agency driving Singapore's external economy, IE Singapore is committed to educating the Singapore business community and helping them build capabilities to enter Africa.
6. ASBF was a platform created in 2010 for top government and business leaders to collaborate, discuss issues, and exchange insights. While Singapore companies can share developmental experience relevant to Africa, Singapore is also a good base for African companies to expand into the region.
7. Interest for the region is clearly on the rise, with this second ASBF seeing a larger than expected turnout of more than 500 delegates, up from 400. IE Singapore's Internationalisation Survey⁸ also shows that Singapore companies are bullish about the business outlook in Africa, following Southeast Asia and China.

² Source: UNCTAD (exchange rate at 1.257)

³ Source: World Trade Organisation

⁴ Source: UNCTAD (exchange rate at 1.257)

⁵ Source: World Trade Organisation

⁶ Source: IE Singapore

⁷ Source: Department of Statistics, Ministry of Trade and Industry (exchange rate at 1.257)

⁸ IE Singapore's Internationalisation Survey 2011/2012 - 1,507 Singapore-based companies with overseas operations or intending to venture overseas were surveyed between November 2011 and January 2012. These companies include both small and medium-sized enterprises (SMEs) and non-SMEs, across 11 business sectors.

8. Market knowledge and connections are key to successful market entry. IE Singapore plans to expand our physical presence in Africa, expand business missions to African countries, continue our engagement with African governments and the private sector, and partner embassies and trade associations to facilitate exchange of information.
9. Against this backdrop, IE Singapore will sign a Memorandum of Understanding (MOU) with the International Finance Cooperation (IFC), a member of the World Bank Group, to leverage IFC's wide network, on-ground knowledge, and extensive experience in African countries. Our strategic collaboration to identify growth sectors and share business leads will pave the way for closer Singapore-Africa relations in the years to come.
10. In closing, I would like to express my sincere appreciation to our Guest of Honour, Minister S Iswaran for gracing this occasion. I would also like to thank the African embassies, speakers, agencies, business and trade associations as well as our sponsors for making this forum possible. We look forward to your continued support. I wish all attendees a fruitful forum today. Thank you.

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About International Enterprise Singapore

International Enterprise (IE) Singapore is the government agency driving Singapore's external economy. We promote international trade and spearhead the overseas growth of Singapore-based companies to grow Globally Competitive Companies.

IE Singapore attracts global commodities traders to establish their home base in Singapore. Today, Singapore is a thriving trading hub for the energy, agri-commodities and metals & minerals trading clusters.

Through our Global Company Partnership, we work with Singapore-based companies to customise total solutions in capability building, market access and financing for their internationalisation.

Our global network of overseas centres in over 35 locations provides the necessary connections in many developed and emerging markets.

Visit www.iesingapore.com for more information.

About Africa Singapore Business Forum 2012

Returning for the second year, Africa Singapore Business Forum is the premier business platform for exchanging business insights and promoting trade and investment linkages between Africa and Singapore.

An event by International Enterprise (IE) Singapore, the government agency driving Singapore's external economy, Africa Singapore Business Forum is an invaluable platform for business leaders and governments in both regions to network and deepen partnerships.

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